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U.S. DEPARTMENT OF EDUCATION

FOR IMMEDIATE RELEASE
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Contact: Press Office
(202) 401-1576 or press@ed.gov

Secretary DeVos Fully Implements President Trump's Presidential Memorandum Extending Student Loan Relief to Borrowers Through End of Year

WASHINGTON – Acting on President Donald J. Trump's Presidential Memorandum signed August 8, 2020, U.S. Secretary of Education Betsy DeVos today directed Federal Student Aid (FSA) to extend the student loan relief to borrowers initiated by the President and Secretary in March 2020 through December 31, 2020.

All borrowers with federally held student loans will have their payments automatically suspended until 2021 without penalty. In addition, the interest rate on all federally held student loans will be set to 0% through the end of the calendar year. Borrowers will continue to have the option to make payments if they so choose. Doing so will allow borrowers to pay off their loans more quickly and at a lower cost.

"Thanks to President Trump's leadership, students can continue their education and borrowers can enjoy relief from some of the financial stress many may be facing due to the coronavirus pandemic," said Secretary DeVos. "We want everyone to be focused on a safe return to full-time learning. The President and I will continue to support the success of all students."

Today's action extends the actions taken by Secretary DeVos at the start of the national emergency and maintained under law by the CARES Act, which allow borrowers to temporarily defer their payments without accruing interest.

During this extended time frame for the payment suspension, collections on defaulted, federally held loans are still halted, and any borrower with defaulted federally held loans whose employer continues to garnish their wages will receive a refund of those garnishments. Non-payments by borrowers working full-time for qualifying employers will count toward the 120 payments required by the Public Service Loan Forgiveness program and as payments that are required to receive forgiveness under an income-driven repayment plan.

FSA is working in partnership with its student loan servicers to notify borrowers of this extension of loan relief measures, and this outreach effort will continue through the fall and toward an eventual return to repayment. FSA's servicers are working to make these changes, and borrowers can expect to see this extension reflected in their accounts over the next several weeks.

The Department continues to update ed.gov/coronavirus with information on COVID-19 for students, parents, educators, and local leaders. For more information about COVID-19, please visit the following websites: coronavirus.gov, cdc.gov/coronavirus/2019-ncov/index.html, and usa.gov/coronavirus.

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